

## Message Text

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ORIGIN EB-11

INFO OCT-01 AF-10 ISO-00 CIAE-00 COME-00 DODE-00 FMC-04

INR-10 NSAE-00 RSC-01 CG-00 COA-02 L-03 AID-20 H-03

SS-15 NSC-10 PA-03 PRS-01 USIA-15 AGR-20 TRSE-00 /129 R

DRAFTED BY EB/MA:JPSTEINMETZ:EW

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APPROVED BY EB/MA:RWEBB

FMC - GSMITH

MARAD - RRAMUS

AF/N - JHBISHOP

EB/ICD/TRP - TTURQMAN

----- 101494

R 142132Z SEP 73

FM SECSTATE WASHDC

TO AMEMBASSY ACCRA

C O N F I D E N T I A L STATE 183495

E.O. 11652: N/A

TAGS:ETRN, GH, US

SUBJECT: GOG DISCRIMINATION AGAINST US SHIPPING LINE

REF: A) STATE 170064 B) ACCRA 5443 C) ACCRA 5546

1. DEPARTMENT APPRECIATES TIMELY, COMPREHENSIVE RESPONSE  
AND POINTS RAISED BY EMBASSY REFTEL B AND SUBSEQUENT EFFORTS  
REFTEL C.

2. CONSIDERING THE UNSETTLED SITUATION WITHIN THE CMB AND  
THE CAST OF PLAYERS OVERSEEING GOG SHIPPING POLICY, DEPART-  
MENT CONCURS WITH EMBASSY SUGGESTION INITIAL FORMAL APPROACH  
WITH PRESENTATION OF AIDE MEMOIRE BE MADE AT HIGH LEVEL  
MFA. IN THIS REGARD AIDE MEMOIRE HAS BEEN REDRAFTED (SENT  
SEPTTEL) AND THRUST CHANGED TO TAKE INTO ACCOUNT EMBASSY'S  
SUGGESTIONS AND MISGIVINGS RE POSSIBLE ADVERSE EFFECTS  
OTHER US INTERESTS. FMC AGREEABLE TO ALL OUT EFFORT TO  
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ATTEMPT RESOLUTION OF PROBLEM BY DIPLOMATIC MEANS. HOW-

EVER, FAILURE OF GOG TO REDRESS SITUATION WITH RESPECT TO FARRELL LINES WHEN COCOA EXPORTS SHIPMENTS COMMENCE IN NOVEMBER WILL LEAVE COMMISSION LITTLE RECOURSE BUT TO INVOKE SECTION 19 (B). THIS POINT SHOULD BE EMPHASIZED ORALLY DURING PRESENTATION OF AIDE MEMOIRE.

3. WITH RESPECT TO REVISED AIDE MEMOIRE, DEPARTMENT BELIEVES POINTS RAISED IN (A), (C) & (D), PARA. 5, REFTEL B HAVE BEEN ADEQUATELY COVERED IN REDRAFT. RE 5(C) AIDE MEMOIRE TOUCHES ON PAST HISTORY OF SECTION 19 (B) ACTION IN GENERAL TERMS. BACKGROUND PAPER ON PREVIOUS SECTION 19 (B) ORDERS SUBJECT SEPTEL FOR EMBASSY USE IN DISCUSSIONS AS NECESSARY. AS FOR 5(B), SECTION 19 (B) COUNTERMEASURES THAT FMC MAY BE FORCED TO INVOKE AS LISTED IN REVISED AIDE MEMOIRE LEAVE LITTLE TO THE IMAGINATION REGARDING THE EXTENT OF POSSIBLE PENALTIES. IN DEVISING APPROPRIATE RETALIATORY ACTION FMC MAY BE EXPECTED TO TAILOR THEM TO DEGREE OF SEVERITY OF RESPECTIVE FOREIGN GOVERNMENT ACTION. WE WOULD THEREFORE ANTICIPATE THAT FMC RETALIATION WOULD EQUAL SEVERITY OF GOG DISCRIMINATORY ACTION AGAINST US SHIPPING LINE. THEREFORE, IF IN DISCUSSION THIS SUBJECT GOG OFFICIALS SUGGEST THAT THEY WILL BE BETTER OFF BY CONTINUATION OF PRESENT SITUATION, AS DESCRIBED PARA 5(B), REFTEL B, EMBASSY SHOULD ATTEMPT TO DISABUSE THEM OF THIS NOTION BASED ON THE ABOVE.

4. RE PARA 9 (B), REFTEL B, STATEMENT THAT BLACK STAR LINES MAY BE IN VIOLATION CONFERENCE AGREEMENT HAS BEEN DELETED IN REDRAFTED AIDE MEMOIRE. HOWEVER, MATTER IS ONE OF CONCERN NOT ONLY TO CONFERENCE, BUT ALSO TO FMC UNDER SECTION 18 (B) OF SHIPPING ACT, 1916.

5. SHOULD GHANAIAAN AUTHORITIES RAISE QUESTION OF US CARGO PREFERENCE MEASURES DURING INITIAL REPRESENTATIONS OR SUBSEQUENTLY EMBASSY MAY DRAW ON FOLLOWING IN RESPONSE. USG CONSIDERS THAT ITS GOVERNMENT-CONTROLLED CARGOES ARE ONLY THOSE WHICH ARE GOVERNMENT-OWNED,-FINANCED, OR IMPELLED AND WHICH IT CAN BE REASONABLY ARGUED  
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WOULD NOT MOVE EXCEPT FOR GOVERNMENT SUPPORT AND OVER WHICH THEREFORE THE GOVERNMENT CAN BE EXPECTED TO HAVE CERTAIN RIGHTS AS A SHIPPER AND THE ROUTING (CHOICE OF VESSELS) THEREOF. US LAW REQUIRES AT LEAST 50 PER CEN OF SOME (AID CARGOES UNDER PL 664 AND CERTAIN PL 480 CARGOES) AND 100 PER CENT ( EXIMBANK-FINANCED CARGOES UNDER PUBLIC RESOLUTION 17) OF OTHER USG SPONSORED CARGOES TO MOVE ON US-FLAG VESSELS. WITH RESPECT TO THE

FORMER, THE PARTICULAR LOAN AGREEMENT USUALLY PROVIDES FOR THE FLAG VESSELS OF THE RECIPIENT COUNTRY TO PARTICIPATE IN THE CARRIAGE OF THESE CARGOES. IN THE CASE OF EXIMBANK CARGOES, A WAIVER OF UP TO 50 PER CENT MAY BE GRANTED BY THE MARITIME ADMINISTRATION AT THE REQUEST OF THE RECIPIENT COUNTRY PROVIDED US-FLAG VESSELS RECEIVE RECIPROCAL TREATMENT AND ARE NOT DISCRIMINATED AGAINST.

6. FURTHER COMMENTS OR ANY QUESTIONS REGARDING REVISED AIDE MEMOIRE REQUESTED SOONEST. IF NONE, DEPT WOULD APPRECIATE EMBASSY PROCEEDING WITH REPRESENTATION AS EXPEDITIOUSLY AS POSSIBLE. RUSH

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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